

DOLIR News

June 2008



Connecting state, local, and private labor industries.

Department of Labor Replaces Paper Checks with Debit Cards

New Program will save Taxpayers \$643,762, Improve Security and Service



The Missouri Department of Labor and Industrial Relations (DOLIR) soon will offer

Missourians eligible to receive unemployment insurance (UI) benefits, Second Injury Fund payments, and disaster unemployment benefits and displaced workers covered by the Trade Act the benefit of having funds deposited to a debit card. Claimants who utilize the electronic payment method will receive their money faster - within two business days of being processed - and no longer will need to wait for the mail to deliver their checks.

The debit card program will save Missouri taxpayers \$643,762 a year. The new debit cards also are expected to reduce fraud by eliminating stolen, lost and misdirected checks and can be used at thousands of ATMs and point-of-purchase locations across the state such as grocery stores or gas stations.

"In addition to the cost savings to Missouri's taxpayers, the debit card system will allow for a more convenient, faster, and safer way for Missouri's claimants to receive their payments," said Todd Smith, DOLIR Director. "Claimants

eligible to receive any one of these benefits, likely are undergoing some type of financial hardship," Smith added.

"It just made sense for us to explore other options to ensure that claimants receive their payments as quickly as possible. At the same time, we're responding to Gov. Blunt's call for greater efficiency in state government. The elimination of postage fees and other mailing expenses will result in a cost savings to the Department."

The debit card program will be administered by the Department's Division of Employment Security in conjunction with Central Bank, the financial institution awarded the contract for providing the debit card service, aptly called "Missouri Access." The contract agreement is for an initial two years, with five, one-year renewal options. Central Bank was the chosen contractor through the state bidding process.

"We are extremely pleased to partner with the Missouri Department of Labor to provide their clients with these state-of-the-art debit card-based transaction services," said Ken Littlefield, President

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Missouri Department of Labor Applauds Supreme Court Ruling Resulting in the Felony Conviction of Robert Salter of St. Louis

Salter Convicted of Failure to Maintain Workers' Compensation Insurance

On Tuesday, April 15, 2008, the Missouri Supreme Court ruled in favor of a class D felony conviction of Robert Salter of St. Louis. Salter was sentenced to one year in prison, fined \$5,000 and was assigned an additional \$25,000 penalty for failure to maintain workers' compensation insurance.

"This is an important victory for Missouri workers who depend on workers' compensation insurance in the event they are injured on the job," said Missouri Department of Labor and Industrial Relations Director Todd Smith. "I am pleased by this ruling and hope this outcome sends a strong message to others who have malicious intent on breaking the law; justice has been served."

Salter had appealed his conviction to the Missouri Supreme Court, but in a unanimous decision, the Supreme Court affirmed Salter's conviction, holding that he was responsible for the acts committed.

In the state of Missouri, businesses with five or more employees are required to carry workers' compensation insurance. Construction employers with one or more employees must buy coverage. Those businesses who fail to carry workers' compensation insurance are deemed

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Department of Labor Announces Annual “Safe Jobs for Youth” Campaign Kickoff



With summer approaching and thousands of youth eagerly anticipating entering

Missouri’s workplace and taking summer jobs, the Missouri Department of Labor and Industrial Relations today announced the start of its “Safe Jobs for Youth” awareness campaign. The campaign is designed to focus on preventing youth injuries in the workplace.

The Department’s Division of Labor Standards ran campaign ads on radio stations throughout Missouri during the entire month of May to help employers, parents, schools and most importantly Missouri’s youth, prepare for summer jobs. The campaign built upon the success of last year’s Webpage [teensworksafe.com](http://www.teensworksafe.com). A new Internet site, www.molaborlaws.com was launched as a single source of information for Missouri’s employers, parents, schools, and workforce. This site will remain active year-round to provide ongoing updates regarding child labor and other labor laws to help educate Missouri’s workers and employers throughout the year.

“Thousands of Missouri teens work part-time or summer jobs,” said Todd Smith, Missouri Department of Labor and Industrial Relations Director. “While these early work experiences definitely provide opportunities for learning important job skills, it’s imperative that our youth work in

environments that protect them from inappropriate, excessive or hazardous labor,” Smith added. “Missouri’s child labor law helps protect our young people by helping ensure they have the necessary time to pursue their education and be employed in safe working environments.”

Inexperience in the workplace is a safety concern. Unfortunately, injuries to young people do occur on the job. In 2007, 530 of Missouri youth under 18 suffered injuries severe enough to file injury reports. While this was a significant decrease from 2006 in which 1,500 youth injuries were reported, the Department of Labor wants to help prevent even more injuries from occurring, and the “Safe Jobs for Youth” campaign is another method of education, promotion, and prevention.

Missouri’s child labor law restricts the age, number of hours, and occupations youth can work. Prohibited occupations generally involve dangerous equipment (cookers, slicers), dangerous materials (such as toxic chemicals), and dangerous duties (driving, roofing).

The Division of Labor Standards offers employers several resources to assist in keeping working youth safe.



The On-Site Consultation program is a free, confidential program for employers to help them maintain hazard-free workplaces. In addition, staff is available to conduct training, offer

presentations, attend conferences and answer general requests for assistance.

In helping parents, educators, employers and others protect Missouri’s teens, the Missouri Department of Labor and Industrial Relations is releasing a Top 10 Safety List of Kids at Work:

1. Know your workplace rights and responsibilities.
2. Ask for proper training for your job, especially for emergencies.
3. Insist on proper supervision when performing your job.
4. Never cross state lines or travel farther than 30 miles.
5. Resist temptation to do a task unless you feel comfortable and confident.
6. Know the prohibited occupations to increase your safety.
7. Know the work hour limitations/restrictions for your age.
8. Be sure you have the appropriate documentation (work certificate or permit).
9. Make sure you know whom to call if there is a problem at work.
10. Be sure that your parents know where you work and what you do.



For more information regarding youth workplace safety, please visit the Internet site, www.molaborlaws.com or call (573) 751-3403.

Felony Conviction

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noncompliant with the law.

The total number of workers’ compensation fraud and noncompliance cases referred for prosecution is based on several factors. To prosecute cases of fraud, there has to be proof of the intent to gain a benefit. Fraud is committed when an employee, employer, healthcare provider or others, lie to obtain a benefit

– monetary or otherwise.

To ensure compliance with workers’ compensation laws, the Fraud and Noncompliance Unit within the Missouri Department of Labor’s Division of Workers’ Compensation conducts confidential investigations of allegations of workers’ compensation fraud and noncompliance. If fraud or

noncompliance is evident, the case is referred for prosecution.

Workers’ compensation insurance ensures that workers have the coverage they need, when they need it. For more information about workers’ compensation, visit the Internet site, <http://www.dolir.mo.gov/wc/index.asp>.

Debit Cards

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of Central Bank. "This is a major, positive step in the Labor Department's commitment to move to totally automated processing and improve efficiency. We look forward to assisting them in its administration," added Littlefield.

Within 60 days, the Department of Labor will kick off a pilot program to ensure the debit card process is working smoothly and effectively. A small sampling of claimants will receive their payments under the new system during the test phase.

The Missouri Department of Labor and Industrial Relations' mission is to promote and protect industry and labor. The processing of Missouri UI claims is a free service provided by the Department's Division of Employment Security. Under Missouri law, workers who become unemployed through no fault of their own and are actively seeking work may be eligible to receive up to 26 weeks of UI benefits. To file a Missouri UI claim, visit the Internet site, www.mocclaim.com.

The Second Injury Fund compensates injured employees when a current work-related injury combines with a prior disability to create an increased combined disability. For more information regarding the Department of Labor's Division of Workers' Compensation, visit the Internet site, <http://www.dolir.mo.gov/wc/index.asp>.

Disaster Unemployment Assistance is intended for those who are not eligible for benefits under a state's regular unemployment insurance program. Farmers, the self employed and others who are denied regular unemployment insurance may be eligible for this assistance. Missourians who need information about how to file a claim should call (800) 788-4002.

Missouri claimants will automatically be enrolled in the debit card program. Persons who instead opt to have their payments sent directly to a bank account will have seven days to file a direct deposit application.

For more information about the Missouri Department of Labor and Industrial Relations, visit the Internet site, www.dolir.mo.gov.

Gov. Blunt, Missouri Department of Labor and Industrial Relations Warn of Possible Unemployment Insurance Scam

Gov. Matt Blunt and the Missouri Department of Labor and Industrial Relations are warning Missourians of a possible scam involving the processing of unemployment insurance (UI) claims.

"Missourians need to be aware that there are criminals and scam artists seeking to rip them off," Gov. Blunt said. "I have urged the Department of Labor and Industrial Relations to continue doing all it can to inform our citizens about these scams to protect taxpayers from fraud."

The processing of Missouri UI claims is a free service provided by the Department's Division of Employment Security. Under Missouri law, workers who become unemployed through no fault of their own and are actively seeking work may be eligible to receive up to 26 weeks of UI benefits. To file a Missouri unemployment insurance claim, please visit the Internet site, www.mocclaim.com. The official Internet site of the Missouri Department of Labor is www.dolir.mo.gov.

Missourians should be aware that the Internet site, www.unemploymentbenefits.com, has no association with the Missouri Department of Labor and Industrial Relations. Administrators of the site are charging consumers fees ranging from \$3-\$10 to file a UI claim. Consumers are asked to provide a credit or debit card number and a payment is sent to PayPal.

"Attempts to scam Missourians by deceit and fraud will not be tolerated," said Department of Labor and Industrial Relations Director Todd Smith. "We have notified the Attorney General's office, and it is my hope that the perpetrators will be identified and prosecuted to the fullest extent of the law."



Gov. Blunt Appoints James H. Buford to the Missouri Commission on Human Rights

Gov. Matt Blunt announced the appointment of James H. Buford (R), 63 of

St. Louis, as a member of the Missouri Commission on Human Rights (MCHR).

Buford currently is the president and chief executive office for the Urban League of Metropolitan St. Louis. He

holds a bachelor's degree in human services administration from Elizabeth College and previously was appointed to the U.S. Agriculture Citizens Advisory Committee for Equal Opportunity by President George W. Bush, and the National Advisory Council on Vocation Education by President Ronald Reagan. His appointment is for a term ending April 1, 2013.

The MCHR is composed of an 11-member Commission which provides

equitable and timely resolutions of discrimination claims through enforcement of the Missouri Human Rights Act. It develops, recommends and implements ways to prevent and eliminate discrimination in the workplace, public accommodations and housing.

For more information about the MCHR, please visit the Internet site, <http://www.dolir.mo.gov/hr/index.asp>.

Students Honored for Poster and Journalism Contests

In May, six students were honored at a recognition luncheon for their creative posters and essays submitted in the 2008 Poster and Journalism contests sponsored by the Missouri Commission on Human Rights. The luncheon was held at noon on Friday, May 9 in Jefferson City at the Hotel Deville Banquet Room.

Contest guidelines required students to design a poster or write an essay based on the theme "Equal Employment

Opportunity – Make it Work in Missouri." Three recipients from each contest were selected to receive \$500 for first place, \$250 for second place and \$100 for third place. Schools of winning students each received the same amount of prize money as

awarded to the students.

The first place poster contest recipient was Lauren Okruch, a senior at Westran High School in Huntsville, Mo. Second place poster contest recipient was Darla Jones, a senior at Rolla High School.

Third-place recipient in the poster contest was Melissa Head, a senior at Westran High School.

In the Journalism Contest, the first place essay recipient was Kyle Gardner, a sophomore at Jefferson City High School. Receiving second-place honors in the Journalism Contest was KeJuan Darden, a freshman at Ruskin High School in Kansas City, Mo. Third-place recipient in the

Journalism Contest was Shedrenna Watson who also attends Ruskin High School.

The purpose of the Poster and Journalism contests was to reward excellence in art and journalism while increasing awareness of equal employment opportunity in Missouri's youth. Both contests were open to students in grades 7 through 12.



Above: Lauren Okruch, first-place poster



Right: Melissa Head, third-place poster



Left: Kyle Gardner, first-place journalism



Below: KeJuan Darden, second-place journalism



Missouri Commission
on Human Rights

Departments of Labor, Health Preventing Deceased Claimants from Collecting Benefits

The Missouri Department of Labor and Industrial Relations (DOLIR) and the Department of Health and Senior Services (DHSS) have bolstered their efforts to prevent compensation payments from going to deceased Missouri claimants.

This first ever agreement between the two departments allows DOLIR's Division of Workers' Compensation to check their record of payments from the Second Injury Fund (SIF) for payment of compensation and benefits to claimants, including weekly permanent total disability (PTD) benefits. The SIF compensates injured employees when a current work-related injury combines with a prior disability to create an increased combined disability.

The agreement allows DHSS to match data of vital statistics to DOLIR for residents whose deaths occurred in Missouri. The Division of Workers' Compensation can then use the data to verify eligibility of those receiving SIF compensation and benefits.

"In previous administrations, our departments had not been sharing information, which delayed the identification of deceased claimants," said Todd Smith, DOLIR Director. "With this partnership we are being proactive in our efforts to ensure even greater accuracy."

In February, the departments found their first match against the data. The match resulted in the identification of one deceased person receiving benefits, which was quickly addressed. The departments will routinely run this data, providing better efficiency and accuracy in state government.

For more information regarding the Division of Workers' Compensation, visit the Internet site, <http://www.dolir.mo.gov/wc/index.asp>.



According to the Missouri Employment Security Law, any individual (claimant) or employer who receives or denies unemployment benefits by intentionally misrepresenting, misstating, or failing to disclose any material fact has committed fraud.

EMPLOYER FRAUD

If an employer commits fraud in order to deny benefits to a worker, the employer may be assessed a penalty. An employer also may be found guilty of a misdemeanor and subject to a fine or imprisonment for making a false statement or knowingly failing to disclose a material fact to prevent or reduce the payment of benefits.

CLAIMANT FRAUD

Fraud by claimants ultimately costs employers more in taxes. Taxes are deposited into the Unemployment Compensation Trust Fund, from which benefits are paid. Factors that can raise an employer's tax rate include benefits charged to the employer's account and the balance of the Trust Fund.

Claimants for unemployment benefits fraudulently receive millions of dollars every year as a result of filing for unemployment benefits while:

- Working and not reporting earnings or not reporting the correct amount of earnings;
- Not being able to work;
- Operating their own business and not being available for work;
- Refusing work; and/or
- Leaving work while claiming benefits without notifying the Division of Employment Security (DES).

If an employer has information which it believes would cause an

individual to be held ineligible or disqualified from receiving benefits, it should immediately notify the Regional Claims Center of

the DES where the claim was filed.

The DES investigates and establishes more than \$1 million in overpaid benefits each month. The primary means of detecting overpayments are cross-matches with new hire data and quarterly wages reported for the claimants by employers. When a match is made, the DES sends an Audit and Investigation form to the employer to confirm whether or not benefits were overpaid.

An employer can help by:

- Responding to Claims Notices as applicable;
- Completing the Audit and Investigation forms providing wages earned during each week the worker claimed benefits;
- Reviewing Benefit Charge Statements for accuracy; and
- Notifying the DES if they suspect someone is receiving unemployment insurance benefits fraudulently.

Claimants are required to repay overpaid benefits, and payments are deposited back into the Trust Fund. Overpayments also are deducted from future benefits owed to a claimant and from Missouri income tax refunds and lottery winnings. Some overpayments are the result of honest mistakes. However, if the claimant committed fraud in obtaining benefits, he or she can be charged an additional monetary penalty as well. Also, individuals may have their benefit rights canceled and could be arrested, fined or imprisoned.

Putting a stop to unemployment benefits fraud keeps taxes lower and ensures claimants will have benefits when they need them.

OSHA UPDATE

In November 2007, the Occupational Safety and Health Administration (OSHA) announced a final rule on employer-paid personal protective equipment (PPE). Under the rule, all PPE, with a few exceptions, will be provided at no cost to the employee. OSHA anticipates this rule will have substantial safety benefits resulting in more than 21,000 fewer occupational injuries per year. The final rule contains a few exceptions for ordinary safety-toed footwear, ordinary prescription safety eyewear, logging boots, and ordinary clothing and weather-related gear. The final rule also clarifies OSHA's requirements regarding payment for employee-owned PPE and replacement PPE. For more information about the final rule, please follow the link:

http://www.osha.gov/pls/oshaweb/owadisp.show_document?p_table=FEDERAL_REGISTER&p_id=20094.

As a result of a recent catastrophic accident involving combustible dust at a sugar refinery plant, OSHA is intensifying its enforcement activities at facilities where combustible dust hazards are known to exist through a combustible dust National Emphasis Program (NEP). The purpose of the NEP is to inspect facilities that create or handle combustible dusts which can cause intense burning or other fire hazards when suspended in air, and can lead to explosions. Combustible dusts are:

- finely ground organic or metal particles;
- fibers;

- fines;
- chips;
- chunks;
- flakes, or small mixtures of these materials.

Types of dusts include, but are not limited to:

- metal (aluminum and magnesium);
- wood;
- plastic;
- biosolids, organic (sugar, paper, soap and dried blood); and
- dusts from certain textiles

Combustible dusts can be found in the following:

- agricultural;
- chemical;
- textile;
- forest; and
- furniture products, wastewater treatment, metal processing, paper products, pharmaceutical and recycling operations (metal, paper and plastic) industries.

For more information regarding the NEP, follow the link: http://www.osha.gov/OshDoc/Directive_pdf/CPL_03-00-008.pdf.

Source: OSHA News section of OSHA's Internet site, www.osha.gov.



Can you spot five safety hazards in this picture?

Answers:

- ▲ No load rating for the platform.
- ▲ No guard railing around the platform.
- ▲ Items stored too close to the edge and could strike person going through doorway.
- ▲ Watch cardboard storage too close to light.
- ▲ Too many spray cans outside of a flammable storage cabinet.

The Department's Fraud and Noncompliance Unit Wins Statewide Honor

Each year, the Missouri State Investigators Association recognizes the accomplishments of an investigator or investigative unit that has made an exceptional contribution to the field of investigations and the communities they serve. This year, both awards were received by the Department of Labor and Industrial Relations' Fraud and Noncompliance Unit (FNU). The FNU is housed within the Department's Division of Workers' Compensation.

Investigator of the Year

Investigator II Ronald Vernon has been employed with the FNU for two years. During that short time he has proven himself to be an invaluable team member. Vernon conducts statewide criminal investigations into allegations of workers' compensation fraud and noncompliance. In 2007, Vernon was assigned 138 investigations and referred 54 to the Office of the Attorney General for possible prosecution. As a result of his referrals, more than \$67,000 is being recovered and returned to the Workers' Compensation Fund.



Investigative Unit of the Year

The Department's FNU conducts criminal investigations into workers' compensation fraud and noncompliance committed throughout Missouri. According to the most recent report from the Coalition Against Insurance Fraud, the FNU referred more cases for prosecution than any other workers' compensation bureau in the United States.

In 2007, the Unit received 1,044 criminal allegations, and of those investigated cases, 198 were referred to the Office of the Attorney General for prosecution. This number is up by 35 in comparison to cases referred in 2006. Of those cases referred, 19 were successful prosecutions, 66 were deferred prosecution agreements, and \$304,086.03 was received in statutory penalties.

Not only has this unit proven their effectiveness as a team, but they also have proven their value in working with other agencies and organizations. During 2007, the FNU continued to work with other agencies in crimi-

nal investigations. Information was shared with federal prosecutors and agencies, the U.S. Postal Inspector, and state agencies such as the Missouri Department of Insurance and the Missouri Department of Labor's Division of Employment Security. Referrals also were made to U.S. Immigration and Customs Enforcement (ICE). The unit willingly accepted information from other agencies when working investigations that originated from crimes and violations alleged in other areas.



Joyce Boss, Patrick Reid, Ken McKinney, Byron Klemme (Interim Chief Administrator), Gary Schmidt (former Acting Chief Administrator), Ron Vernon, Jim Cunningham, Jeff Buker (Director of the Division of Workers' Compensation) and Sue Ann Loesch. Unit members not shown are: Calvin Crandall, Stephen Doden, DeWayne Hickey, Dwight Miller, Mark Moses, Sharon Personett and Debbie Sumpter.

Jefferson City Mayor Landwehr Presents Fair Housing Month Proclamation

Proclamation Commemorates the 40th Anniversary of the Fair Housing Act

On Monday, April 7 during a City Council Meeting in Jefferson City, Mayor John Landwehr signed and presented a proclamation for Fair Housing Month, which was celebrated in April. Eric Krekel, Director of Investigative Operations, accepted the proclamation on behalf of the Missouri Department of Labor and Industrial Relations' Commission on Human Rights (MCHR).

On April 11, 1968, President Lyndon B. Johnson signed the Fair Housing Act. This important legislation was one of a series of civil rights laws that sought to secure the rights of individuals and extend the full blessings of liberty to all Americans. The Fair Housing

Act prohibits discrimination in the sale, rental, and financing of housing and, in doing so, furthers the ideals championed by Dr. Martin Luther King, Jr., and other heroes of the civil rights movement.



To further commemorate this historic event, the MCHR co-sponsored a Fair Housing Symposium with the City of Jefferson and the City of Jefferson Human Relations Commission on April 24. The half-day event was held in Jefferson City and included a panel of speakers on the topic of fair housing.

To learn more about the MCHR visit the Internet site, <http://www.dolir.mo.gov/hr/index.ASP>.